



Title: **UBO Metrics, Key Elements to UBO KPIs
for
UBO Managers**

Session: **W-2-0900**



Objectives

- Discuss some ideas on improving metrics collection and use
 - What's a metric?
 - Some current examples of metrics
 - Why should we collect metrics?
 - Where are we?
 - What's the problem?
 - Where do we want to go?
 - How do we get there?
 - How soon could/will any of this happen?



A Few Definitions for Metrics

- A business metric is any type of measurement used to gauge some quantifiable component of a company's performance, such as return on investment, employee and customer churn rates (number of customers who discontinue a service or employees who leave a company during a specified time period divided by the average total number of customers or employees over that same time period), revenues, EBITA (earnings before interest, taxes, depreciation, and amortization)

<http://searchcrm.techtarget.com/definition/business-metric>



A Few Definitions for Metrics

- Standards of measurement by which efficiency, performance, progress, or quality of a plan, process, or product can be assessed.

<http://www.businessdictionary.com/definition/metrics.html>

- Metrics are a set of measurements that quantify results. Performance metrics quantify the units performance. Project metrics tell you whether the project is meeting its goals. Business metrics define the business' progress in measurable terms.

<http://management.about.com/cs/generalmanagement/g/metrics.htm>



A Few Definitions for Metrics

- Quantitative measures of performance or production
www.dcri.duke.edu/patient/glossary.jsp
- Measurements, collections of data about activities, resources and/or deliverables
retailindustry.about.com/od/abouttheretailindustry/1/blterm_m.htm



A Few Definitions for Metrics

- Any type of measurement. Metrics could include business results, quantification of system usage, average response time, benefits achieved, etc. The measures that an organization believes is vital for its success
it.csumb.edu/departments/data/glossary.html
- A framework to establish and collect measurements of success/failure on a regulated, timed basis that can be audited and verified
www.dmreview.com/rg/resources/glossary.cfm



Desired Attributes of Metrics

- Useful – and will be used to make decisions
- Relevant to business success
- Quantitative
- Measurable
- Standardized
- Not subject to manipulation



Examples of Metrics

- Some Examples
 - Collections/Cost to Collect
 - Collections/Amount Billed
 - Claims Accepted/Claims Filed
 - Average Lag from Service Date to Bill Date
 - Average Time Lag from Bill Date to Collection Date
 - Average Lag from Service Date to Collection Date
 - Days Revenue in Accounts Receivable



Examples from the 2570 Metrics Report of TPCP

- Quarterly Collections Reports – Microsoft® Excel Format
- All Measures Reports – Excel Format
- Analysis Summary – Excel Format



Direct Care TPCP Billed & Collected

\$Millions - 4th Quarter Cumulative

Service	FY06		FY07		FY08		FY09		FY10	
	Billed	Collected	Billed	Collected	Billed	Collected	Billed	Collected	Billed	Collected
Outpatient										
Army	\$ 47.50	\$ 23.70	\$ 85.20	\$ 39.00	\$ 105.30	\$ 54.80	\$ 118.20	\$ 66.80	\$ 94.90	\$ 63.30
Navy	\$ 22.20	\$ 12.30	\$ 45.10	\$ 21.60	\$ 53.60	\$ 30.60	\$ 57.50	\$ 34.80	\$ 46.60	\$ 31.40
Air Force	\$ 79.90	\$ 28.60	\$ 177.90	\$ 59.00	\$ 206.40	\$ 80.70	\$ 218.60	\$ 92.60	\$ 157.50	\$ 78.90
Total	\$ 149.60	\$ 64.60	\$ 308.20	\$ 119.60	\$ 365.30	\$ 166.10	\$ 394.30	\$ 194.20	\$ 299.00	\$ 173.60
Inpatient										
Army	\$ 43.60	\$ 20.20	\$ 54.40	\$ 21.40	\$ 58.30	\$ 24.30	\$ 57.50	\$ 28.90	\$ 54.40	\$ 26.60
Navy	\$ 17.10	\$ 7.10	\$ 20.80	\$ 7.10	\$ 23.20	\$ 8.50	\$ 18.80	\$ 7.60	\$ 18.50	\$ 8.90
Air Force	\$ 23.50	\$ 11.20	\$ 26.20	\$ 11.70	\$ 27.00	\$ 11.10	\$ 25.40	\$ 10.00	\$ 26.40	\$ 15.10
Total	\$ 84.20	\$ 38.50	\$ 101.40	\$ 40.20	\$ 108.50	\$ 43.90	\$ 101.70	\$ 46.50	\$ 99.30	\$ 50.60

Data as of 10/29/2010 - Collections = CFY + PY1 + PY2 - Billed = Amount Billed CFY



Quarterly Collections Reports

Sample Outpatient Claims vs. Collections

	Num of OP Collections for CFY					
Service	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Air Force	717,002	514,076	446,669	504,066	504,913	549,969
Army	357,550	469,061	626,742	424,899	439,634	468,334
Navy	196,586	239,270	194,512	194,243	207,045	228,998
Total	1,271,138	1,222,407	1,267,923	1,123,208	1,151,592	1,247,301
	Num of OP Claims for CFY					
Service	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Air Force	1,518,515	1,495,758	1,458,816	1,373,590	1,349,450	1,384,240
Army	918,318	1,004,649	925,266	868,739	890,006	984,428
Navy	484,045	488,264	418,099	397,310	411,655	443,003
Total	2,920,878	2,988,671	2,802,181	2,639,639	2,651,111	2,811,671
	OP Collections to Claims for CFY					
Service	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Air Force	0.47	0.34	0.31	0.37	0.37	0.40
Army	0.39	0.47	0.68	0.49	0.49	0.48
Navy	0.41	0.49	0.47	0.49	0.50	0.52
Total	0.44	0.41	0.45	0.43	0.43	0.44



UBO Metrics

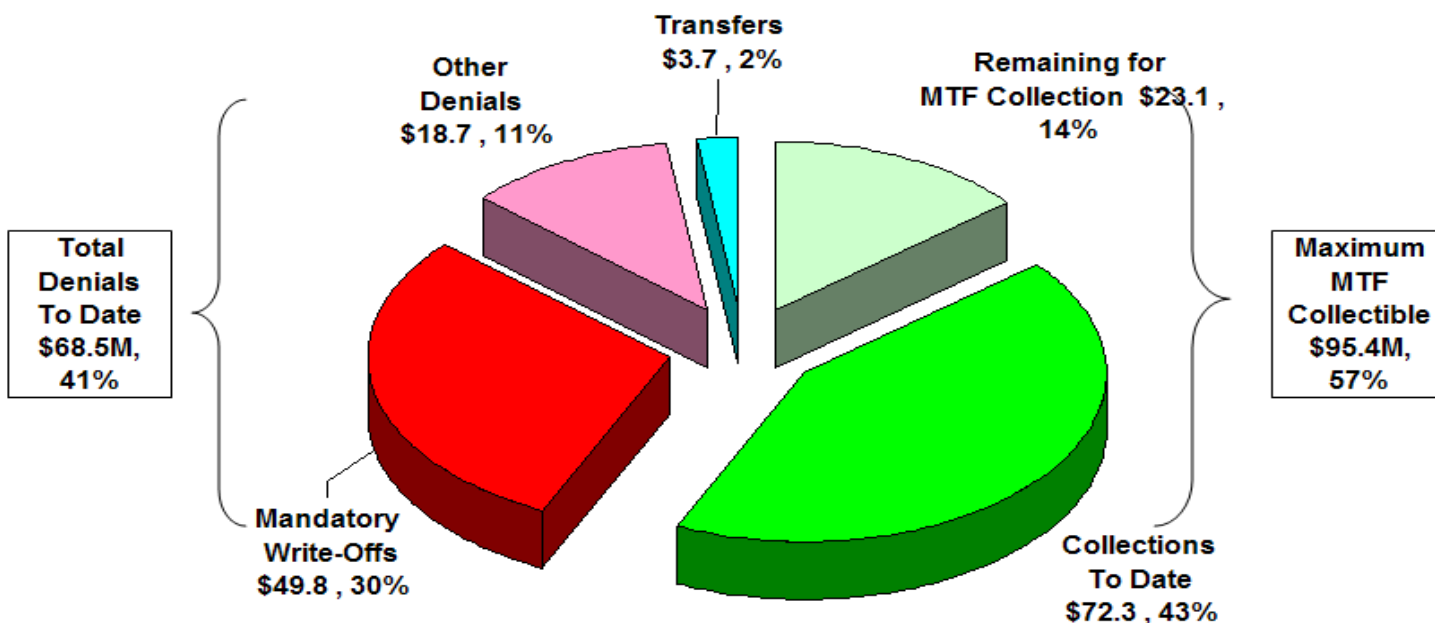
Sample TPCP Operations Analysis Summary

Uniform Business Office - Third Party Collections Metrics - As of 3Qtr FY2009

Data for Army MTFs - Inpatient and Outpatient Care Provided in FY2007

Total Billings By Army MTFs = \$167.7M

33 Months of Billing and Collections Activity





Why Should We Collect Metrics?

- UBO Overarching Goal
 - To collect what we are owed in a cost-effective manner
 - UBO Capability-Based Assessment
- Metrics help us measure progress toward that goal



Where Are We?

- DD 2570 Third Party Collection Program (TPCP) Data Collected Centrally
 - Inpatient
 - Outpatient
 - Collects claims submitted, amount billed, collections, adjustments, open claims over current year and two prior years
 - From this data we can compute total collections, claims per visit, collections per claim, collected vs. billed, and general reasons for payment denial
- Local Reports
 - Financial Aged Accounts Receivable
 - MSA Reports
 - Other/Ad Hoc Reports



So What's the Problem?

- Reported Metrics Only Cover TPCP Collections
 - Can't measure OHI discovery performance
 - No standard metrics for Medical Services Account (MSA)
 - No standard metrics for Medical Affirmative Claims (MAC)
- TPCP Claims Adjustment Codes
 - Quarterly cumulative data
 - Non-standard (HIPAA Compliant)
 - Overly aggregated - We can't tell why bills are not being paid
 - Do not address input resources - We can't tell how efficiently we're operating



So What's the Problem?

- No consistent, reliable, and comprehensive reporting of UBO resources expended
 - MEPRS EBH is for TPCP only
- No ability to compare with industry norms
 - Average days in Accounts Receivable
- Except for data sent forward on DD Form 2570s, we cannot compare data among MTFs/Billing Activities



Where Do We Want to Go?

- Measures based on comprehensive operational data
 - Complete
 - Current
 - Accurate
 - Standard
- Collect measures on all programs
 - TPCP
 - MSA
 - MAC
- Comparable to other industry norms/benchmarks



Where Do We Want to Go?

- Cover all phases of the revenue cycle
 - Other Health Insurance
 - Data availability/accessibility
 - Completeness, accuracy, timeliness
 - OHI verification
 - Precertification
 - Coding
 - Accuracy
 - Completeness
 - Timeliness
 - Billing
 - E-Billing to streamline/speed collections
 - Track HIPAA standard denial codes



Where Do We Want to Go?

- Denial Management/Follow-up
- Final resolution
- Ability to relate collections to input resources
 - MEPRS accounts for each program or other means of measuring resources
 - Collection of other resources
 - Contractor services



Where Do We Want to Go?

- MSA measurement by sales code
 - Cosmetic procedures
 - Other self-pay
 - Non-DoD Federal Agencies
 - Coast Guard
 - VA
 - PHS
 - NOAA
 - Other
 - Other governments
 - Other accounts



Where Do We Want to Go?

- MAC Activities
 - Injury review
 - Cases forwarded to Legal
 - Case status
 - Collections



How Do We Get There?

- Major Steps
 - Identify measures that provide insight into each phase of the revenue cycle
 - Evaluate feasibility of collecting measures
 - Prioritize measures
 - Identify operational and system changes needed
 - Benchmark current status
 - Prepare business transformation plan
 - Training
 - New System Capabilities
 - Communications Plan
 - Reporting Plan



How Do We Get There?

- Major Steps
 - Design, develop, and test new collection processes
 - Implement new collection processes
 - Evaluate metrics and processes
 - Communicate metrics data collected
 - Billing and collections staff
 - Upper management



How Do We Get There?

- Data Collection Concepts
 - Gather data as a by-product of operations
 - Standardize data elements, definitions, valid values, and computations
 - Systems push data automatically
 - Minimizes work for MTF UBO staff
 - Make use of industry standards



How Can Any of This Happen?

- Reporting of Aged Accounts Receivable System Data
- Ad hoc reports
 - CHCS
 - TPOCS
 - Desktop applications
- Opportunities with new billing solutions



Summary

- Metrics are
 - Quantitative
 - Measureable
 - Indicators of operational effectiveness
- Metrics are not
 - The accounting system
 - A management information system
- Use standard metrics for comparability with other organizations
- Develop your own metrics – don't wait



Q&A

- Questions?